

**U.S. Department of Health and Human Services
Office of Consumer Information and Insurance Oversight**

Territory Cooperative Agreements for the Affordable Care Act's Exchanges

Announcement Type: New

**Funding Opportunity Number: IE-HBE-11-003
CFDA: 93.525**

Date: January 20, 2011

Applicable Dates

Electronic Grant Application Due Date: February 22, 2011 by 11:59 pm EST

Anticipated Notice of Grant Award Date: March 22, 2011

Grant Period of Performance/Budget Period: Up to 12 months

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OVERVIEW INFORMATION

Agency Name: Department of Health and Human Services

Funding Opportunity Title: Territory Cooperative Agreements for the Affordable Care Act's Exchanges

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Catalog of Federal Domestic Assistance (CFDA) Number: 93.525

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Anticipated Notice of Grant Award Date: March 22, 2011

Grant Period of Performance/Budget Period: Up to 12 months

Pre-Application Conference Call: January 26, 2011

I. FUNDING OPPORTUNITY DESCRIPTION

1. Purpose

This Cooperative Agreement Funding Opportunity Announcement is intended to assist Territories with initial implementation activities related to the health insurance Exchanges ("Exchanges"). "Territories" means American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the United States Virgin Islands. This announcement provides funding to Territories that comply with Section 1323(a)(1) and 1323(b) of the Affordable Care Act (P.L. 111-148) by (1) electing to establish an Exchange and (2) establishing an Exchange in accordance with part 2 of Subtitle D of Title I of the Affordable Care Act.

On March 23, 2010, the President signed into law the Patient Protection and Affordable Care Act. On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 was signed into law. The two laws are collectively referred to as the Affordable Care Act. The Affordable Care Act includes a wide variety of provisions designed to expand coverage, to provide more health care choices, to enhance the quality of health care for all Americans, to hold insurance companies more accountable, and to lower health care costs. Among its provisions, the law provides grant funding to assist States and Territories in implementing parts of the Affordable Care Act, such as grants for insurance rate review and consumer assistance.

The Affordable Care Act provides that, consistent with Sections 1323 and 1311(b) of the Affordable Care Act, each Territory may elect to establish an Exchange that: 1) facilitates the purchase of qualified health plans (QHP); 2) provides for the establishment of a Small Business Health Options Program ("SHOP Exchange") designed to assist qualified employers in

facilitating the enrollment of their employees in QHPs offered in the SHOP exchange; and 3) meets other requirements specified in the Act.

Once a Territory complies with Section 1323(a)(1) of the Affordable Care Act, the Affordable Care Act requires that the Territory be treated as a State for purposes of Part 2 of Subtitle D, i.e. sections 1311, 1312, and 1313. Therefore, a Territory that complies with Sections 1323(a)(1) and 1323(b) before the timing restriction on Exchange establishment grants available to States pursuant to Section 1311(a) may also be eligible to apply for similar grants. Section 1323(c) provides for additional funding to a Territory in connection with premium and cost sharing assistance for certain low-income individuals that participate in an Exchange. This assistance funding is contingent on the Territory's election to establish an Exchange, actual establishment of an Exchange, and the agreement to certain conditions on how the funding must be used.

Territories will conduct activities under these cooperative agreements with an emphasis on activities necessary to make an Exchange operational. Examples include background research, including a market analysis of each Territory's insurance market and projected Exchange enrollment, establishment of effective capacity for providing assistance to individuals, and initial stakeholder consultation.

Federal regulations to establish standards for Exchanges are currently under development, as required by Section 1321 of the Affordable Care Act.

The administrative and funding instrument used for this program will be the Cooperative Agreement, an assistance mechanism in which substantial HHS programmatic involvement with the recipient is anticipated during the performance of the activities. Under each cooperative agreement, HHS's purpose is to support and stimulate the recipient's activities by involvement in and otherwise working jointly with the award recipient in a partnership role.

The first installment of these cooperative agreements to Territories must be awarded no later than March 23, 2011; the authority to award additional installments of funding for establishment of the Exchanges extends through January 1, 2015.

Eligibility for funding under this announcement requires that the Territory state its election to establish an Exchange. However, applicants should note that funding provided to the Territories under Section 1311 is intended for the establishment of an operable Exchange. If a Territory is awarded grant funds and subsequently does not meet the Section 1323(a)(1) requirement to establish an Exchange, those grants funds will be subject to all applicable grant regulations and policies, including 45 C.F.R. Section 92.52.

2. Authority

This grant is being issued by HHS. Sections 1311 and 1323 of the Affordable Care Act authorize funding for the Territories for this opportunity.

3. Background

The Affordable Care Act creates new competitive private health insurance markets -- called "Exchanges" -- that will give millions of Americans and small businesses access to affordable

coverage. Exchanges will help individuals and small employers shop for, select, and enroll in high-quality, affordable private health plans that fit their needs at competitive prices. In States, Exchanges will also assist eligible individuals to receive premium tax credits and cost sharing reductions or coverage through other Federal or State health care programs. In Territories, similar financial assistance in the form of premium and cost sharing assistance will be made available for certain low-income individuals. By providing one-stop shopping, Exchanges will make purchasing health insurance easier, more understandable, and subject to greater control and greater choice for individuals and small businesses.

Beginning in 2014, tens of millions of individuals will have access to health coverage through newly established Exchanges in each State and in each electing Territory. Individuals and small businesses can use the Exchanges to purchase affordable health insurance from a choice of products offered by qualified health plans. Exchanges will ensure that participating health plans meet certain standards and facilitate competition and choices by rating health plans' quality. Individuals and families purchasing health insurance through Exchanges established by the Territories may qualify for premium assistance and cost sharing assistance, if their income level is above that which would qualify them for medical assistance through the Territory's Medicaid plan under Title XIX of the Social Security Act. The Exchanges will coordinate eligibility and enrollment with a Territory's Medicaid and Children's Health Insurance Program (CHIP) to ensure access to affordable health coverage. Where applicable, territories are encouraged to consider steps necessary to achieve interoperability with other health and human services programs for purposes of coordinating eligibility determinations, referrals, verifications or other functions.

Finally, the Affordable Care Act provides that a Territory may decide between electing and establishing an Exchange or receiving an increase in funding in connection with its Medicaid program under section 1108(f) and (g) of the Social Security Act.

Additional information on the Affordable Care Act can be found at www.HealthCare.gov.

II. AWARD INFORMATION

1. Total Funding

The total funding available to Territories in this Funding Opportunity Announcement is a maximum of \$5 million.

2. Award Amount

Each Territory is eligible for only one grant award from this funding opportunity. Applicants may apply for a grant of up to \$1 million to complete the first phase of implementation activities, including direct and indirect costs.

3. Anticipated Award Date

March 22, 2011.

4. The Period of Performance

The project period will be up to one (1) year in length.

5. Number of Awards

Up to five (5) awards will be made available.

III. ELIGIBILITY INFORMATION

1. Eligible Applicants

This funding opportunity is only open to the Territories, i.e., American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the United States Virgin Islands.

This funding opportunity is available to Territories that comply with Section 1323(a)(1) of the Affordable Care Act, which requires Territories to 1)elect to establish a Territory-operated Exchange and 2)establish an Exchange in accordance with Federal requirements. Federal requirements governing Exchange operation include provisions of the Exchange rulemaking required under Section 1321 of the Affordable Care Act, as well as guidance issued by HHS related to Exchanges.

The Governor of a Territory may designate a governmental agency or quasi-governmental entity to apply for grants on behalf of that Territory. Private (not-for-profit organizations that are non-governmental) are not eligible to apply. Only one application per Territory is permitted.

Once a Territory elects to establish an Exchange and otherwise complies with Section 1323(a)(1) of the Affordable Care Act, the Affordable Care Act requires that the Territory be treated as a State for purposes of Part II of Subtitle D, including eligibility for Exchange planning and establishment grants. This funding opportunity includes a form attestation for this purpose. In addition, a Territory that completes this attestation and otherwise is in compliance with Section 1323 of the Affordable Care Act will be entitled to payment from funding allocated for Territories under Section 1323 if the Territory adheres to the requirements of this attestation.

For the purposes of this Funding Opportunity Announcement:

- The applicant must provide an attestation that it has elected to establish an Exchange that is consistent with federal requirements (see Attachment C) and otherwise is in compliance with Section 1323(a)(1) of the Affordable Care Act. Contingent on this election, and actual establishment of an Exchange consistent with the election, a Territory will be treated as a State for the purposes of eligibility for and entitlement to grant funds for planning and establishment activities under Section 1311(a).
- As part of the attestation, the applicant agrees to use funds allocated under Section 1323(c) only for premium assistance and cost sharing.

In signing this attestation, the Territory agrees to establish an Exchange consistent with Section 1321 of the Affordable Care Act, which requires Exchanges to adhere to standards established by the Secretary, including standards adopted by the Secretary pursuant to Section 1561 of the

ACA. Once issued by HHS, Territories, as well as States, will be required to adopt and implement these requirements.

Section 1323(b) requires that for the premium and cost sharing assistance funds, a Territory must elect by October 1, 2013 to establish an Exchange. In order to be eligible for this cooperative agreement and Section 1311(a) funding, a Territory must make this election at the time of its application, and must have an operable Exchange by January 1, 2014. If the Territory elects to establish an Exchange, and establishes that Exchange in order to be eligible for Section 1311(a) grants under this Cooperative Agreement, the Territory has complied with the requirement to elect to establish an Exchange by October 1, 2013 for purposes of Section 1323(b).

HHS Attestation Requirements for a Territory Electing to Establish an Exchange

1. Pursuant to Section 1323 of the Affordable Care Act, the Territory elects to establish a health insurance Exchange which will operate consistent with Section 1321 of the Affordable Care Act, including that it will be administered by an eligible entity in the Territory in accordance with Part 2 of Subtitle D of the Affordable Care Act and any implementing regulations promulgated by the Secretary, or guidance issued by the Secretary related to those provisions.
2. The Territory acknowledges that eligibility for and entitlement to Federal funding under Section 1311(a) are contingent on the election to establish an Exchange received with the application, and actual establishment of an Exchange consistent with Part 2 of Subtitle D of the Affordable Care Act.
3. The Territory acknowledges that if an election is received by the Secretary of the Department of Health and Human Services on or before October 1, 2013, once the Territory establishes an Exchange, the Territory shall be treated as a State for purposes of Part 2 of Subtitle D of the Affordable Care Act, and be eligible for funding of premium and cost sharing assistance provided through the Exchange pursuant to Section 1323.
4. The Territory acknowledges that if an election is received by the Secretary of the Department of Health and Human Services on or before October 1, 2013, pursuant to Section 1323(a)(2), the Territory shall not be entitled to apply those funds to its Medicaid program.
5. The Territory acknowledges that if it is awarded grant funds and subsequently does not meet the Section 1323(a)(1) requirement to establish an Exchange, those grant funds will be subject to all applicable grant regulations and policies, including 45 C.F.R. Section 92.52.
6. The Territory agrees that any funds provided during the period beginning with 2014 and ending with 2019 by the Secretary of the Department of Health and Human Services pursuant to Section 1323 of the Affordable Care Act shall be used only to provide premium and cost sharing assistance to residents of the territory obtaining health insurance coverage through the Exchange. The Territory acknowledges that funding

pursuant to Section 1323 of the Affordable Care Act may be subject to additional requirements and oversight in connection with the drawdown of funds to ensure compliance with Section 1323(b)(2)(B).

7. The Territory's Chief Executive or an authorized representative of the government agrees to sign and agree to the contents of the attestation.
8. The Territory acknowledges that this attestation does not constitute an agreement on the part of HHS to award Exchange grants to a Territory. The Territory also acknowledges that this election to establish an Exchange does not guarantee certification of the Exchange that is ultimately established.

Each applicant also must submit two additional letters of support:

- A letter from the Territory Medicaid Director agreeing to not duplicate efforts, not fund Medicaid-specific functions with Exchange grant funds, and work with the Exchange on developing shared functionalities.
- A letter from the Commissioner of the Territory Department of Insurance agreeing to work with the Exchange on implementation and coordinate efforts as appropriate.

Applicants should adhere to the deadline requirements referenced in Section IV.

Central Contracting Registration (CCR) Requirement

All prime grantees must provide a DUNS number in order to be able to register in FSRS as a prime grantee user. If your organization does not have a DUNS number, you will need to obtain one from Dun & Bradstreet. Call D&B at 866-705-5711 if you do not have a DUNS number. Once you have obtained a DUNS Number from D&B, you must then register with the Central Contracting Registration (CCR) at www.ccr.gov. Prime grantees must maintain current registration with Central Contracting Registration (CCR) database. Prime grantees may make subawards only to entities that have DUNS numbers. Organization must report executive compensation as part of the registration profile at www.ccr.gov by the end of the month following the month in which this award is made, and annually thereafter. After you have completed your CCR registration, you will now be able to register in FSRS as a prime grantee user.

The Grants Management Specialist assigned to monitor the subaward reports and Executive Compensation is Iris Grady (grantsmanagement@hhs.gov).

2. Cost Sharing / Matching

Territory Cost Sharing and Matching are not required for this program. However, applicants are not prohibited from using other sources to supplement this funding. Applicants may also use these funds to complement activities funded under consumer assistance grants.

Federal grants pursuant to Section 1311 of the Affordable Care Act are available to be awarded through January 1, 2015. Applicants are expected to plan for decreasing dependence on Federal funds to meet the law's requirement that Exchanges, when operational, be self-sustaining by 2015. Applicants that choose to utilize a cost sharing/matching approach must take care in

appropriately tracking and accounting for Federal dollars spent under this Funding Opportunity Announcement.

3. Pre-Application Conference Call

HHS will hold one pre-application conference call for potential applicants. The conference call will provide an overview of this project, review the guidance provided by this Funding Opportunity Announcement and other available materials, and will include an opportunity for Territories to ask questions. The pre-application call information is as follows:

- January 26, 2011 – 4:30 PM EST
 - Call in number:
Toll free: 800-779-5194
American Samoa and Northern Mariana Islands: 1-630-395-0068
Passcode: 2909328
- A recording and transcript of the call will be available on HHS's website.

IV. APPLICATION AND SUBMISSION INFORMATION

1. Address to Request Application Package

This solicitation serves as the application package for this grant and contains all the instructions to enable a potential applicant to apply for grant funding. The application should be written primarily as a narrative with the addition of standard forms required by the Federal government for all grants.

Application materials will be available for download at <http://www.grants.gov>. Please note that HHS is requiring applications for all announcements to be submitted electronically through <http://www.grants.gov>. For assistance with <http://www.grants.gov>, contact support@grants.gov or 1-800-518-4726. At <http://www.grants.gov>, applicants will be able to download a copy of the application packet, complete it off-line, and then upload and submit the application via the Grants.gov website. The solicitation can also be viewed on HHS's website at <http://www.hhs.gov/ociio>.

Specific instructions for applications submitted via <http://www.grants.gov>:

- You can access the electronic application for this project on <http://www.grants.gov>. You must search the downloadable application page by the CFDA number **93.525**.
- At the <http://www.grants.gov> website, you will find information about submitting an application electronically through the site, including the hours of operation. HHS strongly recommends that you do not wait until the application due date to begin the application process through <http://www.grants.gov> because of the time delay.
- All applicants must have a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number. The DUNS number is a nine-digit identification number that uniquely identifies business entities. Obtaining a DUNS number is easy and there is no charge. To obtain a DUNS number, access the following website: www.dunandbradstreet.com or call 1-866-705-5711. This number should be entered in the block with the applicant's name and

address on the cover page of the application (Item 8c on the Form SF 424, Application for Federal Assistance). The name and address in the application should be exactly as given for the DUNS number.

- The applicant must also register in the Central Contractor Registration (CCR) database in order to be able to submit the application. Applicants are encouraged to register early. You should allow a minimum of five days to complete the CCR registration. Information about CCR is available at <http://www.ccr.gov>. The central contractor registration process is a separate process from submitting an application. In some cases, the registration process can take approximately two weeks to be completed. Therefore, registration should be completed in sufficient time to ensure that it does not impair your ability to meet required submission deadlines.
- Authorized Organization Representative: The Authorized Organization Representative (AOR) who will officially submit an application on behalf of the organization must register with Grants.gov for a username and password. AORs must complete a profile with Grants.gov using their organization's DUNS Number to obtain their username and password. http://grants.gov/applicants/get_registered.jsp. AORs must wait one business day after registration in CCR before entering their profiles in Grants.gov.
- When an AOR registers with Grants.gov, the E-Biz POC will receive an email notification. The E-Biz POC must login to Grants.gov (using your organization's DUNS number for a username and the "M-PIN" password obtained in Step 2) and approve the AOR, thereby giving him or her permission to submit applications.
- When an AOR registers with Grants.gov to submit applications on behalf of an organization, that organization's E-Biz POC will receive an email notification. The email address provided in the profile will be the email used to send the notification from Grants.gov to the E-Biz POC with the AOR copied on the correspondence.
- The E-Biz POC must then login to Grants.gov (using the organization's DUNS number for the username and the special password called "M-PIN") and approve the AOR, thereby providing permission to submit applications.
- You must submit all documents electronically in PDF format, including all information included on the SF 424 and all necessary assurances and certifications, and all other attachments.
- Prior to application submission, Microsoft Vista and Office 2007 users should review the Grants.gov compatibility information and submission instructions provided at <http://www.grants.gov>. Click on "Vista and Microsoft Office 2007 Compatibility Information."
- After you electronically submit your application, you will receive an automatic acknowledgement from <http://www.grants.gov> that contains a Grants.gov tracking number. HHS will retrieve your application form from Grants.gov.
- After HHS retrieves your application form from Grants.gov, a return receipt will be emailed to the applicant contact. This will be in addition to the validation number provided by Grants.gov.

- Each year organizations and entities registered to apply for Federal grants through <http://www.grants.gov> will need to renew their registration with the Central Contractor Registry (CCR). You can register with the CCR online; registration will take about 30 minutes to complete (<http://www.ccr.gov>).

Applications cannot be accepted through any email address. Full applications can only be accepted through <http://www.grants.gov>. Full applications cannot be received via paper mail, courier, or delivery service, unless a waiver is granted per the instructions below.

All grant applications must be submitted electronically and be received through <http://www.grants.gov> by 11:59pm Eastern Standard Time on February 22, 2011. All applications will receive an automatic time stamp upon submission and applicants will receive an automatic e-mail reply acknowledging the application's receipt.

The applicant must seek a waiver at least ten days prior to the application deadline if the applicant wishes to submit a paper application. Applicants that receive a waiver to submit paper application documents must follow the rules and timelines that are noted below.

Applicants that do not adhere to the timelines for Central Contractor Registry (CCR) and/or Grants.gov registration and/or request timely assistance with technical issues will not be considered for a waiver to submit a paper application.

Please be aware of the following:

- Search for the application package in Grants.gov by entering the CFDA number. This number is located on the first page of this announcement.
- Paper applications are not the preferred method for submitting applications. However, if you experience technical challenges while submitting your application electronically, please contact Grants.gov Support directly at: www.grants.gov/customersupport or (800) 518-4726. Customer Support is available to address questions 24 hours a day, 7 days a week (except on Federal holidays).
- Upon contacting Grants.gov, obtain a tracking number as proof of contact. The tracking number is helpful if there are technical issues that cannot be resolved and waiver from the agency must be obtained.
- If it is determined that a waiver is needed, you must submit a request in writing (emails are acceptable) to Michelle.Feagins@hhs.gov with a clear justification for the need to deviate from our standard electronic submission process.
- If the waiver is approved, the application should be sent directly to the Grants Management Division by the deadline date of February 22, 2011.

To be considered timely, applications must be sent on or before the published deadline date. However, a general extension of a published application deadline that affects all applicants or only those applicants in a defined geographical area when justified by circumstances such as acts of God (e.g., floods or hurricanes), or disruptions of electronic (e.g., application receipt services) or other services, such as a prolonged blackout, that affect the public at large may be authorized.

2. Content and Form of Application Submission

Each application must include all contents described below, in the order indicated, and in conformity with the following specifications:

- Double-space all narrative pages. The project abstract may be single-spaced.
- All applications must meet the requirements outlined in Section III, Eligibility Information, Section IV, Application and Submission Information, and Section V, Application Review Information.
- The application's project narrative cannot exceed 15 pages in length, and the budget narrative cannot exceed 3 pages (a total of 18 pages in length). The additional documentation listed below is excluded from the page limitation.

The following documents are required for a complete application:

1. Cover Sheet (please refer to Attachment A)

2. Standard Forms

The following forms must be completed with an original signature and enclosed as part of the application:

- SF 424: Official Application for Federal Assistance¹
- SF 424A: Budget Information Non-Construction
- SF 424B: Assurances-Non-Construction Programs
- SF LLL: Disclosure of Lobbying Activities
- Project Site Location Form(s)
- Additional Assurance Certifications (forms will be available for download as part of the application package in Grants.gov)

3. Required Eligibility Documents

Each applicant must submit documents demonstrating the Territory's compliance with Federal requirements:

- A signed attestation that the applicant:
 - Elects and intends to establish an Exchange that will operate consistent with Section 1323(a)(1) of the Affordable Care Act;
 - Acknowledges that the Territory's eligibility for Federal funding under Section 1311(a) is contingent upon the election and intent to establish an Exchange;

¹ On SF 424 "Application for Federal Assistance":

- Item 15 "Descriptive Title of Applicant's Project." Please indicate in this section the name of this grant: **Territory Cooperative Agreements for the Affordable Care Act's Exchanges.**
- Check box "C" to item 19, as Review by State Executive Order 12372 does not apply to these grants.
- Assure that the total Federal grant funding requested is for the period of the grant.

- Acknowledges that if the applicant elects to establish an Exchange and receives Federal funding under Section 1311(a), it is no longer entitled to apply those funds to Medicaid as described in 1323(b)(2)(B);
- Acknowledges that if the applicant is awarded grant funds and subsequently does not meet the Section 1323(a)(1) requirements to establish an Exchange, those grant funds will be subject to all applicable grant regulations and policies.
- A signed agreement that upon election to establish an Exchange, the Territory will accept funds for premium assistance and cost sharing pursuant to Section 1323.

4. Required Letters of Support

Each applicant must submit letters of support from Territory officials:

- A letter from the Territory Medicaid Director agreeing to not duplicate efforts, not fund Medicaid-specific functions with Exchange grant funds, and work with the Exchange on developing shared functionalities.
- A letter from the Commissioner of the Territory Department of Insurance agreeing to work with the Exchange on implementation and coordinate efforts as appropriate.

If the applicant is the Territory Medicaid Department, the letter of support from the Territory Medicaid Director is waived. If the applicant is the Territory Department of Insurance, the letter of support from the Commissioner is waived.

5. Applicant's Application Cover Letter

A letter from the applicant must identify the:

- Project Title
- Applicant Name
- Principal Investigator/Project Director Name, with email and phone number

6. Project Abstract

A one page abstract should provide a succinct description of the proposed project and must include the goals of the project, the total budget, and a brief description of how the grant will be used to plan for an Exchange in the Territory.

7. Project Narrative

The project narrative may be no more than 15 pages in length. The project narrative must address the Territory's activities for the development and implementation of an Exchange.

The project narrative must include the following sections:

- **Assessment of Current Health Insurance Coverage in the Territory**
The applicant should provide information on the current status of employer-based coverage, including small group coverage, the individual market, the uninsured population and access to health insurance in the Territory. Include a description of the demographic characteristics of the Territory's uninsured and individuals enrolled in the individual and small group market; key health issues related to access to care and

coverage; and a summary description of the Territory's current delivery system (e.g., managed care penetration, access to primary care, variations in coverage, insurance carrier penetration, small business market, etc.).

- **Proposal to Meet Program Requirements**

The Project Narrative must include a proposal that explains the approach the applicant is considering to establish an Exchange. The applicant should describe how the Exchange will meet each of the program requirements set forth in this Funding Opportunity Announcement. The proposal must include a description of the approach and the activities the Territory will undertake under each Core Area below.

Background Research – May include research to determine the number of uninsured in the Territory including, but not limited to, those potentially eligible for the Exchange, and those eligible but not enrolled in Medicaid or employer's coverage.

Stakeholder Involvement – May include a list of the stakeholders within the Territory who will be involved in the Territory's implementation of the Exchange, including the role proposed for each stakeholder as well as agreements with those stakeholders that may be in place at this time. Developing stakeholder involvement may include a plan to gain public awareness and commitment of key stakeholders through task forces and activities in various venues to obtain stakeholders' input. Coordination with the Territory's HIT Coordinator and the Territory's health information exchange program should be addressed.

Program Integration – May include a description of how an Exchange will build on existing Territory and Federal programs such as Medicaid and CHIP. This may also include current Territory activities similar to an Exchange. It may also include a description of how an Exchange will integrate with other health and human services programs, where applicable.

Resources and Capabilities – May include an assessment of current and future staff levels and qualification and contracting capabilities and needs.

Governance – May discuss the progress made toward establishing the Exchange's administrative structure (Territorial agency, quasi-governmental agency, or non-profit organization) and governance structure (composition of governing body, conflict of interest standards, selection process). If an Exchange is expected to be Territory-run, planning could include determinations of where the Exchange would reside, what the governing structure would be, and to what departments or officials it would be accountable. If an Exchange is expected to be established through an independent entity, planning could include the development of the governance structure and mechanisms of accountability. If the Territory is planning to coordinate with other Territories for a regional Exchange, planning could involve activities relating to coordination with other Territories to establish an Exchange, determine markets, and ensure licensure and consumer protections could be developed. It may be possible to use or leverage existing governance bodies established for other purposes and

meeting Exchange requirements, including for the Territory's health information exchange program.

Finance – May include pathways to developing accounting and auditing standards, mechanisms of transparency to the public, and procedures to facilitate reporting to the Secretary.

Technical Infrastructure – May include plans to conduct a gap analysis in information technical needs. In this section, the applicant must address how the Exchange will carry out due diligence in assessing the applicability of the system models developed by “Early Innovator” States. The gap analysis might also include plans for integration of Health Information Exchange standards for program interoperability, as well as steps necessary to ensure a modular, flexible approach to systems development including use of open interfaces and exposed application programming interfaces; the separation of business rules from core programming; and the availability of business rules in both human and machine readable formats.

Business Operations – May include plans for a web portal and call center, eligibility determinations, plan qualification, plan bidding, application of quality rating systems and rate justification, and risk adjustment. Providing assistance to individuals is a priority of the Exchange. Therefore, the proposal must address how the Exchange will work to meet the needs of individuals and provide individual assistance services or ensure they are provided.

Territory Legislative or Regulatory Actions – May include a determination of the scope and detail of enabling legislation and implementing Territory regulations.

- **Evaluation Plan**

The project narrative must include a plan for how the applicant will evaluate its progress on each of the core areas above. Please provide baseline information or data for each measure if available. Specifically, Territory applicants should include:

- Discussion of key indicators to be measured;
- Methods and their effectiveness to monitor progress and evaluate the achievement of program goals; and
- Inclusion of plans for timely interventions when targets are not met or unexpected obstacles delay plans.

8. Work Plan and Timeline

A timeline is required with the project goals and objectives consistent with those outlined in the project narrative. The work plan submitted with the application should document reasonable milestones with associated timeframes, and identify by name and title of the individual responsible for accomplishing the goals of the project.

9. Budget and Budget Narrative

The applicant is required to provide a detailed budget for the grant period. In addition to the 424A below, **the application should follow the sample budget provided in Attachment E.**

The proposed budget should include only costs for activities and functionalities that are integral to Exchange operations and meeting Exchange requirements.

Provide a narrative that explains the amounts requested for each line in the budget for the entire project period. The budget justification should specifically describe how each line item will support the achievement of proposed objectives in alignment with the Work Plan. HHS will look for justifications that directly align with the tasks in the Work Plan and should be able to understand funding needs for each set of tasks the Exchange will carry out. The Budget Narrative should break down funding needs by quarter to the extent possible.

The applicant should include a description that indicates which elements of their proposal they expect will also benefit their Territory's Medicaid/CHIP system, and other health and human services programs where applicable. It should include a proposal for allocating costs between these sources of funding.

Include a description of the Territory's capacity to oversee multiple grant funding streams if the applicant has received other grant funding from HHS. It is the responsibility of the grantee to ensure that these funding streams are maintained and accounted for separately. It is imperative that each applicant's budget clearly distinguishes between activities that are funded using funding under this Cooperative Agreement and activities funded using other funding sources.

Line item information must be provided to explain the costs entered in the appropriate form, Application Form 5161-1. **The budget justification must clearly describe each cost element and explain how each cost contributes to meeting the project's objectives/goals over the budget period.** Carefully justify each item in the "other" category. The budget justification MUST be concise. Do NOT use the justification to expand the project narrative.

The Budget Narrative/Justification should be provided using the format included as Appendix E, Guidelines for Budget Preparation of this FOA. **Please note that detailed budget narratives/justifications must be provided for each sub-contractor or sub-grant listed in the contractual line item.**

More guidance on preparing a budget request can be found in Attachment E.

Applicants must submit a budget with appropriate line items and a narrative that identifies the funding needed to accomplish the grant's goals. For the budget recorded on form SF 424 A, the applicant must provide a breakdown of the aggregate numbers detailing their allocation to each major set of activities. The budget narrative must separately distinguish and support all technical assistance activities. The proposed

budget for the project should distinguish the proportion of grant funding designated for each grant activity.

The budget narrative must include the following:

- An estimated budget total;
- Total estimated funding requirements for each of the following line items, and a breakdown for each line item:
 - Personnel
 - Fringe benefits
 - Contractual costs, including subcontracted contracts (**follow the instructions for contracts in Attachment E**)
 - Equipment
 - Supplies
 - Travel
 - Indirect charges, in compliance with the appropriate OMB Circulars. If requesting indirect costs in the budget, a copy of the indirect cost rate agreement is required (<http://rates.psc.gov/fms/dca/orgmenu1.html>).
 - Other costs
- Completion of the Budget Form 424A remains a requirement for consideration of your application. This Estimated Budget Presentation is an important part of your application and will be reviewed carefully by HHS staff. Remember all quarters of the budget by calendar year must be included on this form.
- Provide budget notes for major expenditures and notes on personnel costs and major contractual costs; and
- For existing Exchanges (or similar programs), details of the Exchange's current budget and preceding fiscal years' budgets. **See Guidelines for Budget Preparation in Attachment E as a guide.**

10. Required Supported Documentation

Please provide the following items to complete the content of the application. Please note that these are supplementary in nature and are not intended to be a continuation of the project narrative. Be sure each one is clearly labeled.

1. Organizational Chart & Job Descriptions for Key Personnel

To the extent possible, a Territory must provide an organizational chart and job descriptions of staff who will be dedicated to the project, indicating the time that staff will spend on grant activities.

2. Letters of Agreement and/or Description(s) of Proposed/Existing Project

Provide any documents that describe working relationships between the applicant and agencies and programs cited in the application. Documents that confirm actual or pending contractual agreements should clearly describe the roles of the subcontractors and any deliverable. Letters of agreements must be dated.

3. Submission Dates and Times

All grant applications must be submitted electronically and be received through <http://www.grants.gov> by 11:59pm Eastern Standard Time on February 22, 2011.

4. Intergovernmental Review

Applications for these grants are not subject to review under Executive Order 12372, “Intergovernmental Review of Federal Programs” (45 CFR 100). Please check box “C” to item 19 of the SF 424 (Application for Federal Assistance) as Review by State Executive Order 12372, does not apply to these grants.

5. Funding Restrictions

1. Reimbursement of Pre-Award Costs

No grant funds awarded under this solicitation may be used to reimburse pre-award costs. (e.g., consultant fees associated with preparing the Territory Cooperative Agreements application).

2. Prohibited Uses of Grant Funds

The Department of Health and Human Services Territory Cooperative Agreements for the Affordable Care Act’s Exchanges may not be used for any of the following:

1. To cover the costs to provide direct services to individuals;
2. To meet matching requirements of any other Federal program;
3. To cover excessive executive compensation;
4. To promote Federal, State, or Territory legislative and regulatory modifications;
5. To improve systems or processes solely related to Medicaid/CHIP eligibility;
6. Activities unrelated to Exchange implementation such as:
 - a. Staff retreats;
 - b. Promotional giveaways; and
 - c. To provide services, equipment, or supports that are the legal responsibility of another party under Federal or Territorial law (e.g.; vocational rehabilitation or education services) or under any civil rights laws. Such legal responsibilities include, but are not limited to, modifications of a workplace or other reasonable accommodations that are a specific obligation of the employer or other party.

V. APPLICATION REVIEW INFORMATION

In order to receive a grant award for activities related to the implementation of an Exchange, Territories must submit an application, in the required format, no later than the deadline date. This grant project is intended to assist Territories to begin or continue implementation for such Exchanges.

If an applicant does not submit **all** of the required documents and does not address each of the topics described below, the applicant risks not being awarded a grant.

As indicated in Section IV, Application and Submission Information, all applicants **must** submit the following:

1. Cover Sheet
2. Standard Forms
3. Required Eligibility Documents
4. Required Letters of Support
5. Applicant's Cover Letter
6. Project Abstract
7. Project Narrative
8. Work Plan and Timeline
9. Budget and Budget Narrative
10. Required Supported Documentation

As indicated in Section IV, Application and Submission Information, each applicant **must** address how the Territory will plan for the Exchange as it pertains to each of the following:

- Background Research
- Stakeholder Involvement
- Program Integration
- Resources and Capabilities
- Governance
- Finance
- Technical Infrastructure
- Business Operations
- Territory Legislative or Regulatory Actions

Applicants will be reviewed as approved or disapproved by the objective review panel; this is consistent with the objective review process of the "State Planning and Establishment Grants for the Affordable Care Act's Exchanges" conducted last summer.

1. Review Criteria

The review criteria for applications are based on a total of 100 points allocated among the following areas:

1. Project Narrative (45 points)

- a. Assessment of current health insurance coverage in the Territory (10 points)

Reviewers should rate this section based on the extent to which the applicant provide information on the current status of the coverage and access to health insurance in the Territory and the extent to which the applicant identified where data on health insurance access and coverage is lacking.

b. Proposal to meet Program Requirements (25 points)

The reviewers should rate this section based on:

- How substantively the applicant describes its approach under each Core Area
- The extent to which Exchange IT Systems are considered;
- The reasonableness of the proposed approach;
- The extent to which the applicant demonstrates a plan for compliance with any guidance relating to the Exchange from HHS.

c. Evaluation Plan (10 points)

Reviewers should rate this section based on the extent to which:

- The applicant identified key indicators to be measured;
- The applicant proposed effective to monitor progress and evaluate the achievement of program goals;
- The applicant included plans for timely interventions when targets are not met or unexpected obstacles delay plans; and
- Inclusion of baseline data.

2. Work Plan (30 points)

This section should be rated based on the reasonableness and completeness of the specific tasks to be conducted throughout the project period will be reviewed as well as the adequacy of the projected timeframes.

3. Budget Narrative (25 points)

Reviewers should rate this section based on the following:

- The extent to which the proposed budget includes only costs for activities and functionalities that are integral to Exchange operations and meeting Exchange requirements.
- The extent to which the budget narrative explains the amounts requested for each line in the budget for the entire project period. The budget justification should specifically describe how each line item will support the achievement of proposed objectives in alignment with the Work Plan. The Budget Narrative should break down funding needs to the extent possible.
- The applicant should include a description that indicates which elements of their proposal they expect will also benefit their Territory's Medicaid/CHIP system, and other health and human services programs where applicable. It should include a proposal for allocating costs between these sources of funding.

- The extent to which the Territory includes a description of the Territory's capacity to oversee multiple grant funding streams if the applicant has received other grant funding from HHS. It is the responsibility of the grantee to ensure that these funding streams are maintained and accounted for separately. It is imperative that each applicant's budget clearly distinguishes between activities that are funded using this Cooperative Agreement funding and activities funded using other funding sources.

2. Review and Selection Process

A team consisting of qualified experts will review all applications. The review process will include the following:

1. Applications will be screened to determine eligibility for further review using the criteria detailed in the Section III, Eligibility Information, of this Funding Opportunity Announcement. Applications that are received late or fail to meet the eligibility requirements as detailed in this solicitation or do not include the required forms will not be reviewed.
2. The results of the objective review of applications by qualified experts will be used to advise the approving HHS official. Final award decisions will be made by an HHS program official. In making these decisions, the HHS program official will take into consideration: recommendations of the review panel; reviews for programmatic and grants management compliance; the reasonableness of the estimated cost to the government and anticipated results; and the likelihood that the proposed project will result in the benefits expected.

The Department reserves the right to conduct pre-award Budget Negotiation with potential awardees.

3. Successful applicants will receive one grant award issued under this solicitation.

3. Anticipated Announcement and Award Dates

The date of announcement for the Territory Cooperative Agreements for the Affordable Care Act's Exchanges is January 20, 2011. The anticipated date of award for this announcement is March 22, 2011.

VI. AWARD ADMINISTRATION INFORMATION

1. Award Notices

Successful applicants will receive a Notice of Grant Award signed and dated by the HHS Grants Management Officer. The Notice of Grant Award is the document authorizing the grant award and will be sent by electronic mail or through the U.S. Postal Service to the Territory as listed on the SF 424. Any communication between HHS and applicants prior to issuance of the Notice of Grant Award is not an authorization to begin performance of a project. Unsuccessful applicants

will be notified by letter, sent electronically or through the U.S. Postal Service to the applicant organization as listed on the SF 424.

Federal Funding Accountability and Transparency (FFATA) Subaward Reporting Requirement:

As required by the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109–282), as amended by section 6202 of Public Law 110–252, recipients must report information for each subaward of \$25,000 or more in Federal funds and executive total compensation for each of your five most highly compensated executives for the preceding completed fiscal year as outlined in Appendix A to 2 CFR Part 170. Information about the Federal Funding and Transparency Act Subaward Reporting System (FSRS) is available at www.fsrs.gov

2. Administrative and National Policy Requirements

The following standard requirements apply to applications and awards under this solicitation:

1. Specific administrative requirements, as outlined in 2 CFR Part 215 and 45 CFR Part 92, apply to grants awarded under this announcement.
2. All Territories receiving awards under this grant project must comply with all applicable National Public Policies relating to nondiscrimination including, but not limited to:
 - a. Title VI of the Civil Rights Act of 1964,
 - b. Section 504 of the Rehabilitation Act of 1973,
 - c. The Age Discrimination Act of 1975,
 - d. Hill-Burton Community Service nondiscrimination provisions, and
 - e. Title II Subtitle A of the Americans with Disabilities Act of 1990.
3. All equipment, staff, other budgeted resources, and expenses must be used exclusively for the project identified in the applicant’s original grant application or agreed upon subsequently with HHS, and may not be used for any prohibited uses.
4. Consumers and other stakeholders must have meaningful input into the planning, implementation, and evaluation of the project. All grant budgets must include some funding to facilitate participation on the part of individuals who have a disability or long-term illness and their families. Appropriate budget justification to support the request for these funds must be included.

3. Terms and Conditions

Grants issued under this Funding Opportunity Announcement are subject to the Health and Human Services Grants Policy Statement (HHS GPS) at <http://www.hhs.gov/grantsnet/adminis/gpd/>. Standard terms and special terms of award will accompany the Notice of Grant Award. Potential applicants should be aware that special requirements could apply to grant awards based on the particular circumstances of the effort to be supported and/or deficiencies identified in the application by the HHS review panel. The general terms and conditions that are outlined in Section II of the HHS GPS will apply as indicated unless there are statutory, regulatory, or award-specific requirements to the contrary (as specified in the Notice of Grant Award.)

Cooperative Agreement Terms and Conditions of Award

The following special terms of award are in addition to, and not in lieu of, otherwise applicable OMB administrative guidelines, HHS grant administration regulations at 2 CFR Part 215 and 45 CFR Part 92 (Part 92 is applicable when State and local Governments are eligible to apply), and other HHS and PHS grant administration policies.

The administrative and funding instrument used for this program will be the Cooperative Agreement, an assistance mechanism in which substantial HHS programmatic involvement with the recipient is anticipated during the performance of the activities. Under each Cooperative Agreement, HHS's purpose is to support and stimulate the recipient's activities by involvement in and otherwise working jointly with the award recipient in a partnership role. To facilitate appropriate involvement during the period of this Cooperative Agreement, HHS and the recipient will be in contact monthly and more frequently when appropriate.

Cooperative Agreement Roles and Responsibilities are as follows:

Department of Health and Human Services

HHS will have substantial involvement in program awards, as outlined below:

- Technical Assistance – HHS will provide technical assistance in accordance with requirements to be established by the Secretary through the rulemaking process and guidance issued by HHS.
- Collaboration – To facilitate compliance with the terms of the Cooperative Agreement and to more effectively support recipients, HHS will actively coordinate with certain critical stakeholders, such as:
 - Territory-Designated Entities
 - Territory Government HIT, Health Insurance Exchange, and Health Information Exchange Leads
 - Other relevant Federal Agencies including the U.S. Office of Personnel Management, the Indian Health Service, the Health Resources and Services Administration, the Internal Revenue Service, the Department of Homeland Security, and the Social Security Administration.
- Program Evaluation – HHS will work with recipients to implement lessons learned to continuously improve this program and the nation-wide implementation of the Health Insurance Exchanges.
- Progress against the Exchange Work Plan – HHS will evaluate grant performance and progress against the grantee's Work Plan.
- Project Officers and Monitoring – HHS will assign specific Project Officers to each Cooperative Agreement award to support and monitor recipients throughout the period of performance. HHS Grants Management Officers and Project Officers will monitor, on a regular basis, progress of each recipient. This monitoring may be by phone, document review, on-site visit, other meeting and by other appropriate means, such as reviewing program progress reports and Federal Financial Reports (SF425). This monitoring will be to determine compliance with programmatic and financial requirements.

- Conference and Training Opportunities – HHS will host opportunities for training and/or networking, including conference calls and other vehicles.

Recipients

Recipients and assigned points of contact retain the primary responsibility and dominant role for planning, directing and executing the proposed project as outlined in the terms and conditions of the Cooperative Agreement and with substantial HHS involvement.

Recipient shall:

- Requirements – comply with all current and future requirements for the implementation and operation of an Exchange, including those issued through rulemaking and guidance specified and approved by the Secretary of HHS.
- Collaboration – collaborate with the critical stakeholders listed in this funding opportunity and the HHS team, including the assigned Project Officer. Recipients are also required to collaborate with their Territory Medicaid Directors, Territory Insurance Commissioners, and other key Territory stakeholders such as the HIT Coordinators.
- Reporting – comply with all reporting requirements outlined in this funding opportunity and the terms and conditions of the Cooperative Agreement to ensure the timely release of funds.
- Program Evaluation – cooperate with HHS-directed national program evaluations.
- Acknowledge that failure to establish an operable Exchange that meets the Section 1323(a)(1) requirement will result in a loss of eligibility for this Cooperative Agreement. Those grants funds will be subject to all applicable grant regulations and policies, including 45 C.F.R. Section 92.52.

Intellectual Property

As a term and condition of a grant award, under 45 CFR 92.34, the Federal awarding agency will retain a royalty-free, nonexclusive, irrevocable license to reproduce, publish or otherwise use and authorize others to use, for Federal Government purposes, the copyright in any work developed under the grant, or a subgrant or subcontract, and in any rights to a copyright purchased with grant support. Grantees must provide HHS with a working electronic copy of the software (including object and source code) with the right to distribute it to others for Federal Purposes throughout the execution of the Cooperative Agreement.

Territory grantees under this Cooperative Agreement shall not enter in to any contracts supporting the Exchange systems where Federal grant funds are used for the acquisition or purchase of software licenses and ownership of the licenses are not held or retained by either the Territory or Federal government, under the terms described above.

4. Reporting

All successful applicants under this announcement must comply with the following reporting and review activities:

1. Quarterly Project Report

Grantees must provide HHS with information such as, but not limited to, project status,

implementation activities initiated, accomplishments, barriers, and lessons learned in order to ensure that funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated. More details and a template of the report will be outlined in the Notice of Grant Award.

2. Final Project Report

Grantees are expected, at the end of the one year budget period, to have developed a report on how the funding was used. The report could include an initial report on the implementation of an Exchange that would include, but not be limited to:

- A draft implementation plan that includes goals, objectives, responsible parties, costs, timeframes, and milestones;
- A needs assessment that includes baselines of staff, funding, and information technology needs;
- A list of resources and capabilities, an organizational chart that includes key personnel, and biographical sketches of such personnel; and
- An evaluation plan to include a detailed description of data collection activities and analyses, from which the Territory will base its design for covering its uninsured.

The project's final report and any products developed through the grant are to be provided to the Grants Management Office within 90 days of the end of the project period. The GMO will forward these materials to the Project Officer. More details and a template of the report will be outlined in the Notice of Grant Award.

3. Public Report

Grantees will be required to prominently post specific information about implementation grants on their respective Internet websites to ensure that the public has information on the use of funds. More details will be outlined in the Notice of Grant Award.

4. Performance Review

HHS is interested in enhancing the performance of its funded programs within communities and Territories. As part of this agency-wide effort, grantees will be required to participate, where appropriate, in an on-site performance review of their HHS-funded project(s) by a review team. The timing of the performance review is at the discretion of HHS.

5. Federal Financial Report (FFR)

The FFR SF425 was designed to replace the Financial Status Report SF 269 and the Federal Cash Transactions Report SF 272 with one comprehensive financial reporting form. Grantees are required to submit the FFR SF425 on a quarterly basis. More details will be outlined in the Notice of Grant Award.

6. Transparency Act Reporting Requirements

New awards issued under this funding opportunity announcement are subject to the

reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109–282), as amended by section 6202 of Public Law 110–252 and implemented by 2 CFR Part 170. Grant and cooperative agreement recipients must report information for each first-tier subaward of \$25,000 or more in Federal funds and executive total compensation for the recipient’s and subrecipient’s five most highly compensated executives as outlined in Appendix A to 2 CFR Part 170 (available online at www.fsrs.gov). Competing Continuation awardees may be subject to this requirement and will be so notified in the Notice of Award.

7. Audit Requirements

Grantees must comply with audit requirements of Office of Management and Budget (OMB) Circular A-133. Information on the scope, frequency, and other aspects of the audits can be found on the Internet at www.whitehouse.gov/omb/circulars.

8. Payment Management Requirements

Grantees must submit a quarterly electronic SF 425 via the Payment Management System. The report identifies cash expenditures against the authorized funds for the grant. Failure to submit the report may result in the inability to access grant funds. The SF 425 Certification page should be faxed to the PMS contact at the fax number listed on the SF 425, or it may be submitted to the:

Division of Payment Management
HHS/ASAM/PSC/FMS/DPM
PO Box 6021
Rockville, MD 20852
Telephone: (877) 614-5533

VII. AGENCY CONTACTS

For questions and concerns regarding this cooperative agreement, please contact:

Grants Management Official/Business Administration

Michelle Feagins
Office of Consumer Information and Insurance Oversight
Department of Health and Human Services
(301) 492-4312
Michelle.Feagins@hhs.gov

Program Official/Programmatic Management

Katherine Harkins
Office of Consumer Information and Insurance Oversight
Department of Health and Human Services
(301) 492-4445
Katherine.Harkins@hhs.gov

VIII. OTHER INFORMATION

1. Attachment A. Application Cover Sheet

IDENTIFYING INFORMATION

Grant Opportunity: **Territory Cooperative Agreements for the Affordable Care Act's Exchanges**

DUNS #: _____ Grant Award: _____

Applicant: _____

Primary Contact Person, Name: _____

Telephone Number: _____ Fax number: _____

Email address: _____

2. **Attachment B. Application Summary**

Check as many items that apply, as appropriate. Territories are not required to accomplish all activities, nor should this list be considered exhaustive.

1. With this Territories Cooperative Agreement, the Territory intends to:

- ☐ Determine needed and available staff and hire key staff
- ☐ Determine resource needs
- ☐ Develop a work plan and timeline for first year activities
- ☐ Determine needed statutory, regulatory, and other administrative changes (including statutory changes that may be necessary to set up the governance structure, facilitate health plan contracting, consumer outreach, etc.)
- ☐ Conduct an initial assessment of IT systems and modifications/new systems needed to facilitate eligibility and enrollment and other Exchange functions
- ☐ Plan the coordination of eligibility and enrollment across Medicaid, CHIP, and the Exchanges
- ☐ Provide public notice and other stakeholder engagement activities
- ☐ Develop a budget justification and implementation plan
- ☐ Develop performance metrics and planned milestones
- ☐ Plan for customer services processes, including a call center

2. The Territory attests that it has submitted a budget narrative and justification that fully supports the activities the Territory intends to pursue with Cooperative Agreement funds:

YES _____ NO _____

3. The Territory has adhered to the required Format, Standard Form (SF), and Content Requirements contained in Section IV.

YES _____ NO _____

4. The Territory commits to submitting a draft detailed implementation plan with the final report within 90 days of the end of the project period.

YES _____ NO _____

3. Attachment C: Health Insurance Exchange Territory Attestation Election to Establish an Exchange Consistent with Federal Requirements

Point of Contact for Exchange Establishment:

(Name of Contact)

(Title and Agency/Organization Name)

(Street Address)

(City/Territory/ZIP Code)

(Contact Phone)

(E-Mail Address)

1. Pursuant to Section 1323 of the Affordable Care Act, by executing this attestation, [name of the Territory] elects to establish a health insurance Exchange (Exchange), which will operate consistent with Section 1321 of the Affordable Care Act, including that it will be administered by an eligible entity in [name of the Territory] in accordance with Part 2 of Subtitle D of the Affordable Care Act and any implementing regulations promulgated by the Secretary, or guidance issued by the Secretary related to those provisions.

2. [Name of Territory] acknowledges that eligibility for and entitlement to federal funding under Section 1311(a) are contingent on the election to establish an Exchange received with the application and actual establishment of an Exchange consistent with of Part 2 of Subtitle D of the Affordable Care Act.

3. [Name of Territory] acknowledges that if an election is received by the Secretary of the Department of Health and Human Services on or before October 1, 2013, once [name of Territory] establishes an Exchange, [name of Territory] shall be treated as a State for purposes of Part 2 of Subtitle D of the Affordable Care Act, and be eligible for funding of premium and cost-sharing assistance provided through the Exchange pursuant to Section 1323.

4. [Name of Territory] acknowledges that if an election is received by the Secretary of the Department of Health and Human Services on or before October 1, 2013, pursuant to Section 1323(a)(2), [Name of Territory] shall not be entitled to the increase in dollar limitations applicable to its Medicaid program.

5. [Name of Territory] acknowledges that if it is awarded grant funds and subsequently does not meet the Section 1323(a)(1) requirement to establish an Exchange, those grants funds will be subject to all applicable grant regulations and policies, including 45 C.F.R. Section 92.52.

6. [Name of Territory] agrees that any funds provided during the period beginning with 2014 and ending with 2019 by the Secretary of the Department of Health and Human Services pursuant to Section 1323 of the Affordable Care Act shall be used only to provide premium and cost sharing assistance to residents of the territory obtaining health insurance coverage through the Exchange. [Name of Territory] acknowledges that funding pursuant to Section 1323 of the Affordable Care Act may be subject to additional requirements and oversight in connection with the drawdown of funds to ensure compliance with Section 1323(b)(2)(B).

7. I have read the requirements of this Health Insurance Exchange Attestation. I further certify that I am the Chief Executive or an authorized representative of the government of _____ and have the authority to sign to this attestation. By signing this Attestation, [name of Territory] agrees to the contents of this Attestation.

8. In addition to the above requirements, [name of Territory] is aware that this attestation does not constitute an agreement on the part of HHS to award Exchange grants to a Territory. Each Territory will be required to apply for grant funds. In addition, [name of Territory] acknowledges that this election to establish an Exchange does not guarantee certification of the Exchange that is ultimately established.

(Printed Name of Signing Official)

(Title and Agency/Organization Name)

(Street Address)

(City/Territory/ZIP Code)

(Contact Phone)

(E-Mail Address)

(Signature)

(Date)

4. Attachment D: Health Insurance Exchange Territory Agreement – Funds for Premium and Cost Sharing Assistance

This agreement sets forth the requirements that each Territory must agree to for the purposes of receiving funds to support premium and cost sharing assistance for residents of the Territory who obtain health insurance coverage through the Exchange. If an election is received by the Secretary of the Department of Health and Human Services on or before October 1, 2013, once the Territory designated in this agreement establishes an Exchange, the Territory shall be treated as a state for purposes of Part 2 of Subtitle D of the Affordable Care Act, and be eligible for funding of premium and cost sharing assistance provided through the Exchange pursuant to Section 1323 of the Affordable Care Act, in the amount allocated to Territories by Section 1323(c).

The Government of _____ agrees to the following terms of this agreement.

(Signing official – Printed name)

(Signing official – Signature)

(Title)

(Date)

The above-signed Territory agrees:

A. That funds provided to _____ (insert Territory name) under this agreement shall be used only to provide premium and cost sharing assistance to residents of the Territory obtaining health insurance coverage in qualified health plans through the Exchange.

B. To ensure that the premium and cost sharing assistance provided under section A. shall be structured to prevent any gap in assistance for individuals between the income level at which Medicaid is available and the income level at which premium and cost sharing assistance is available under this agreement.

C. To adhere to the requirements under Section 1313 of the Affordable Care Act and set forth in any regulations promulgated by HHS related to financial integrity requirements for Exchanges, and in addition, to adhere to the requirements of the False Claims Act under 31 U.S.C. §§ 3729, et seq. Financial integrity requirements include any audits, cooperation with investigations, maintenance of records, enforcement remedies, and efforts to reduce waste, fraud, and abuse set forth in regulations promulgated by HHS.

Any funds provided during the period beginning with 2014 and ending with 2019 by the Secretary of the Department of Health and Human Services pursuant to Section 1323 of the Affordable Care Act shall be used only to provide premium and cost sharing assistance to residents of the territory obtaining health insurance coverage through the Exchange. The Territory acknowledges that funding pursuant to Section 1323 of the Affordable Care Act may be subject to additional requirements and oversight in connection with the drawdown of funds to ensure compliance with Section 1323(b)(2)(B). This agreement does not constitute an agreement on the part of HHS to award Exchange planning or establishment grants to a Territory. Each Territory will be required to apply for grant funds through the same process as States.

Funding amounts:

Section 1323(c) of the Affordable Care Act provides \$925 million for Puerto Rico to provide premium and cost sharing assistance to its residents who obtain health insurance coverage under its Exchange. The Affordable Care Act also provides \$75 million to be allocated among other Territories that elect to establish Exchanges. HHS will determine the amounts allocated to each Territory based on the number of elections it receives from Territories and such other criteria it establishes. If a Territory does not elect to establish an Exchange, Section 1323(c) entitles that Territory to funds in the same amount to increase in the dollar limitation in connection with its Medicaid program.

5. Attachment E: Guidelines for Budget Preparation

INTRODUCTION

Guidance is offered for the preparation of a budget request. Following this guidance will facilitate the review and approval of a requested budget by insuring that the required or needed information is provided.

A. Salaries and Wages

For each requested position, provide the following information: name of staff member occupying the position, if available; annual salary; percentage of time budgeted for this program; total months of salary budgeted; and total salary requested. Also, provide a justification and describe the scope of responsibility for each position, relating it to the accomplishment of program objectives.

Sample budget

Personnel Total \$_____

Cooperative Agreement \$_____

Non- Cooperative Agreement \$_____

Funding Source(s) of Non- Cooperative Agreement \$_____

Position Title and Name	Annual	Time	Months	Amount Requested
Project Coordinator Susan Taylor	\$45,000	100%	12 months	\$45,000
Finance Administrator John Johnson	\$28,500	50%	12 months	\$14,250
Outreach Supervisor (Vacant*)	\$27,000	100%	12 months	\$27,000

Sample Justification

The format may vary, but the description of responsibilities should be directly related to specific program objectives.

Job Description: Project Coordinator - (Name)

This position directs the overall operation of the project; responsible for overseeing the implementation of project activities, coordination with other agencies, development of materials, provisions of in service and training, conducting meetings; designs and directs the gathering, tabulating and interpreting of required data, responsible for overall program evaluation and for staff performance evaluation; and is the responsible authority for ensuring necessary reports/documentation are submitted to HHS. This position relates to all program objectives.

B. Fringe Benefits

Fringe benefits are usually applicable to direct salaries and wages. Provide information on the rate of fringe benefits used and the basis for their calculation. If a fringe benefit rate is not used, itemize how the fringe benefit amount is computed.

Sample Budget

Fringe Benefits Total \$_____

Cooperative Agreement \$_____

Non- Cooperative Agreement \$_____

Funding Source(s) of Non- Cooperative Agreement \$_____

25% of Total salaries = Fringe Benefits

If fringe benefits are not computed by using a percentage of salaries, itemize how the amount is determined.

Example:

Project Coordinator —

Salary \$45,000

Retirement 5% of \$45,000 = \$2,250

FICA 7.65% of \$45,000 = 3,443

Insurance = 2,000

Workers' Compensation = _____

Total:

C. Consultant Costs

This category is appropriate when hiring an individual to give professional advice or services (e.g., training, expert consultant, etc.) for a fee but not as an employee of the grantee organization. Hiring a consultant requires submission of the following information to HHS (**see Required Reporting Information for Consultant Hiring later in this Appendix**):

1. Name of Consultant;
2. Organizational Affiliation (if applicable);
3. Nature of Services to Be Rendered;
4. Relevance of Service to the Project;
5. The Number of Days of Consultation (basis for fee); and
6. The Expected Rate of Compensation (travel, per Diem, other related expenses)—list a subtotal for each consultant in this category.

If the above information is unknown for any consultant at the time the application is submitted, the information may be submitted at a later date as a revision to the budget. In the body of the budget request, a summary should be provided of the proposed consultants and amounts for each.

D. Equipment

Provide justification for the use of each item and relate it to specific program objectives. Maintenance or rental fees for equipment should be shown in the “Other” category.

Sample Budget

Equipment Total \$_____

Cooperative Agreement \$_____

Non- Cooperative Agreement \$_____

Funding Source(s) of Non- Cooperative Agreement \$_____

<u>Item Requested</u>	<u>How Many</u>	<u>Unit Cost</u>	<u>Amount</u>
Computer Workstation	2 ea.	\$2,500	\$5,000
Fax Machine	1 ea.	600	<u>600</u>
Total			\$5,600

Sample Justification

Provide complete justification for all requested equipment, including a description of how it will be used in the program.

E. Supplies

Individually list each item requested. Show the unit cost of each item, number needed, and total amount. Provide justification for each item and relate it to specific program objectives. If appropriate, General Office Supplies may be shown by an estimated amount per month times the number of months in the budget category.

Sample Budget

Supplies Total \$_____

Cooperative Agreement \$_____

Non- Cooperative Agreement \$_____

Funding Source(s) of Non- Cooperative Agreement \$_____

General office supplies (pens, pencils, paper, etc.)		
12 months x \$240/year x 10 staff	=	\$2,400
Educational Pamphlets (3,000 copies @) \$1 each	=	\$3,000
Educational Videos (10 copies @ \$150 each)	=	\$1,500
Word Processing Software (@ \$400—specify type)	=	\$ 400

Sample Justification

General office supplies will be used by staff members to carry out daily activities of the program. The education pamphlets and videos will be purchased from XXX and used to illustrate and promote safe and healthy activities. Word processing software will be used to document program activities, process progress reports, etc.

F. Travel

Dollars requested in the travel category should be for **staff travel only**. Travel for consultants should be shown in the consultant category. Travel for other participants, advisory committees, review panel, etc. should be itemized in the same way specified below and placed in the “Other” category.

In-Territory Travel—Provide a narrative justification describing the travel staff members will perform. List where travel will be undertaken, number of trips planned, who will be making the trip, and approximate dates. If mileage is to be paid, provide the number of miles and the cost per mile. If travel is by air, provide the estimated cost of airfare. If per diem/lodging is to be paid, indicate the number of days and amount of daily per diem as well as the number of nights and estimated cost of lodging. Include the cost of ground transportation when applicable.

Out-of-Territory Travel—Provide a narrative justification describing the same information requested above. Include HHS meetings, conferences, and workshops, if required by HHS. Itemize out-of-territory travel in the format described above.

Sample Budget

Travel (in-Territory and out-of-Territory) Total \$ _____

Cooperative Agreement \$ _____

Non- Cooperative Agreement \$ _____

Funding Source(s) of Non- Cooperative Agreement \$ _____

In- Territory Travel:

1 trip x 2 people x 500 miles r/t x .27/mile	=	\$ 270
2 days per diem x \$37/day x 2 people	=	148
1 nights lodging x \$67/night x 2 people	=	134
25 trips x 1 person x 300 miles avg. x .27/mile	=	2,025
Total		\$ 2,577

Sample Justification

The Project Coordinator and the Outreach Supervisor will travel to (location) to attend an eligibility conference. The Project Coordinator will make an estimated 25 trips to local outreach sites to monitor program implementation.

Sample Budget

Out-of- Territory Travel:

1 trip x 1 person x \$500 r/t airfare	=	\$500
3 days per diem x \$45/day x 1 person	=	135
1 night's lodging x \$88/night x 1 person	=	88
Ground transportation 1 person	=	50

Total	<u>\$773</u>
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Sample Justification

The Project Coordinator will travel to HHS, in Atlanta, GA, to attend the HHS Conference.

G. Other

This category contains items not included in the previous budget categories. Individually list each item requested and provide appropriate justification related to the program objectives.

Sample Budget

Other Total \$ _____

Cooperative Agreement \$ _____

Non- Cooperative Agreement \$ _____

Funding Source(s) of Non- Cooperative Agreement \$ _____

Telephone

(\$ ___ per month x ___ months x #staff) = \$ Subtotal

Postage

(\$ ___ per month x ___ months x #staff) = \$ Subtotal

Printing

(\$ ___ per x ___ documents) = \$ Subtotal

Equipment Rental (describe)

(\$ ___ per month x ___ months) = \$ Subtotal

Internet Provider Service

(\$___ per month x ___ months) = \$ Subtotal

Sample Justification

Some items are self-explanatory (telephone, postage, rent) unless the unit rate or total amount requested is excessive. If not, include additional justification. For printing costs, identify the types and number of copies of documents to be printed (e.g., procedure manuals, annual reports, materials for media campaign).

Contractual Costs

Cooperative Agreement recipients must submit to HHS the required information establishing a third-party contract to perform program activities (**see Required Information for Contract Approval later in this Appendix**).

1. Name of Contractor;
2. Method of Selection;
3. Period of Performance;
4. Scope of Work;
5. Method of Accountability; and
6. Itemized Budget and Justification.

If the above information is unknown for any contractor at the time the application is submitted, the information may be submitted at a later date as a revision to the budget. Copies of the actual contracts should not be sent to HHS, unless specifically requested. In the body of the budget request, a summary should be provided of the proposed contracts and amounts for each.

I. Total Direct Costs \$_____

Show total direct costs by listing totals of each category.

J. Indirect Costs \$_____

To claim indirect costs, the applicant organization must have a current approved indirect cost rate agreement established with the cognizant Federal agency. A copy of the most recent indirect cost rate agreement must be provided with the application.

Sample Budget

The rate is ____% and is computed on the following direct cost base of \$_____.

Personnel	\$	
Fringe	\$	
Travel	\$	
Supplies	\$	
Other	\$	_____
Total	\$	x ____% = Total Indirect Costs

If the applicant organization does not have an approved indirect cost rate agreement, costs normally identified as indirect costs (overhead costs) can be budgeted and identified as direct costs.

Required Reporting Information for Consultant Hiring

This category is appropriate when hiring an individual who gives professional advice or provides services for a fee and who is not an employee of the grantee organization. Submit the following required information for consultants:

1. Name of Consultant: Identify the name of the consultant and describe his or her qualifications.
2. Organizational Affiliation: Identify the organization affiliation of the consultant, if applicable.
3. Nature of Services to Be Rendered: Describe in outcome terms the consultation to be provided including the specific tasks to be completed and specific deliverables. A copy of the actual consultant agreement should not be sent to HHS.
4. Relevance of Service to the Project: Describe how the consultant services relate to the accomplishment of specific program objectives.

5. Number of Days of Consultation: Specify the total number of days of consultation.
6. Expected Rate of Compensation: Specify the rate of compensation for the consultant (e.g., rate per hour, rate per day). Include a budget showing other costs such as travel, per diem, and supplies.
7. Method of Accountability: Describe how the progress and performance of the consultant will be monitored. Identify who is responsible for supervising the consultant agreement.

Required Information for Contract Approval

All contracts require reporting the following information to HHS.

1. Name of Contractor: Who is the contractor? Identify the name of the proposed contractor and indicate whether the contract is with an institution or organization.
2. Method of Selection: How was the contractor selected? State whether the contract is sole source or competitive bid. If an organization is the sole source for the contract, include an explanation as to why this institution is the only one able to perform contract services.
3. Period of Performance: How long is the contract period? Specify the beginning and ending dates of the contract.
4. Scope of Work: What will the contractor do? Describe in outcome terms, the specific services/tasks to be performed by the contractor as related to the accomplishment of program objectives. Deliverables should be clearly defined.
5. Method of Accountability: How will the contractor be monitored? Describe how the progress and performance of the contractor will be monitored during and on close of the contract period. Identify who will be responsible for supervising the contract.
6. Itemized Budget and Justification: Provide an itemized budget with appropriate justification. If applicable, include any indirect cost paid under the contract and the indirect cost rate used.

5. Attachment F: Federal Procurement Requirements for Grantees

A grantee may acquire a variety of commercially available goods or services in connection with a grant-supported project or program. Grantees can use their own procurement procedures that the following applicable U.S. Department of Health and Human Services (HHS) regulations:

- HHS regulations at 45 CFR Part 92, Procurement Requirements for State, Local and Tribal Governments <http://www.hhs.gov/opa/grants/toolsdocs/45cfr92.html>.
- Territories must follow the requirements at Title 45 CFR Part 92.36(a). Generally, Territories must follow the same policies and procedures they use for procurements from non-Federal funds <http://www.hhs.gov/opa/grants/toolsdocs/45cfr92.html>.

Note: Regardless of the portion of the project that is supported by Federal funds, the applicant will be required to follow the Federal procurement requirements for all contracts related to the project.

Responsibility

The grantee is responsible for the settlement and satisfaction of all contractual and administrative issues related to contracts entered into in support of an award. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature.

Simplified Acquisition

Procedures shall be used to the maximum extent practicable for all purchase of supplies or services not exceeding the simplified acquisition threshold. The threshold for purchases utilizing the Simplified Acquisition Procedures cannot exceed \$100,000. Procurement actions may not be split to avoid competition thresholds. The simplified acquisition procedures were not developed to eliminate competition but to reduce administrative costs, improve opportunities for small, small disadvantaged, and women-owned small business concerns, promote efficiency and economy in contracting, and avoid unnecessary burdens.

Avoiding Conflicts of Interest

Grantees shall avoid real or apparent organizational conflicts of interests and non-competitive practices in connection with procurements supported by Federal funds. Procurement shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft grant applications, or contract specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements.

Contracts Pre-existing to the Grant Award

When a grantee enters into a service-type contract in which the term is not concurrent with the budget period of the award, the grantee may charge the costs of the contract to the budget period in which the contract is executed:

- The awarding office has been made aware of this situation either at the time of application or through post-award notification.
- The contract was solicited and secured in accordance with Federal procurement standards.
- The recipient has a legal commitment to continue the contract for its full term.

Contract costs will be allowable only to the extent that they are for services provided during the grant's period of performance. The grantee will be responsible for contract costs that continue after the end of the grant budget period. Piggybacking onto existing, open contracts is generally unallowable.

Factors that should be considered when selecting a contractor are:

- Contractor integrity;
- Compliance with public policy;
- Record of past performance;
- Financial and technical resources;
- Responsive bid; and
- Excluded Parties Listing (Debarred Contractors <https://www.epls.gov/>).

Contracts will be normally competitively bid unless:

- The item is available only from a single source;
- After solicitation of a number of sources, competition is determined inadequate; or
- Meets the requirements of simplified acquisition.

6. Attachment G: Application Check-Off List

REQUIRED CONTENTS

A complete application consists of the following materials organized in the sequence below.

Please ensure that the project narrative is page-numbered. The sequence is:

- ☐ Cover Sheet
- ☐ Forms/Mandatory Documents (Grants.gov) (with an original signature)
 - ☐ SF 424: Application for Federal Assistance
 - ☐ SF-424A: Budget Information
 - ☐ SF-424B: Assurances-Non-Construction Programs
 - ☐ SF-LLL: Disclosure of Lobbying Activities
 - ☐ Project Site Location Form(s)
 - ☐ Additional Assurance Certifications
- ☐ Required Eligibility Documents
 - ☐ Health Insurance Exchange Territory Attestation – Election to Establish an Exchange Consistent with Federal Requirements
 - ☐ Health Insurance Exchange Territory Agreement – Funds for Premium and Cost Sharing Assistance
 - ☐ Required Letters of Support
- ☐ Applicant's Application Cover Letter
- ☐ Project Abstract
- ☐ Project Narrative
- ☐ Work plan and Timeline
- ☐ Budget Narrative
- ☐ Required Appendices
 - ☐ Organizational Chart & Job Descriptions for Key Personnel
 - ☐ Letters of Agreement and/or Description(s) of Proposed/Existing Project